

# An Initial Applicant's Guide to Lottery Licensing in Welland

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## Introduction

Our staff are here to help your organization become eligible for lottery licensing, an instrumental means of fundraising for many charitable purposes benefitting the local community.

This guide should be used as a tool and resource but is by no means exhaustive. Any questions should be directed to the staff member(s) responsible for the lottery program.

The Alcohol and Gaming Commission of Ontario (AGCO) regulates lottery games for charities, religious groups and other qualified operators for the province of Ontario. This includes bingo, raffles and selling break open tickets. The AGCO has provided municipalities within Ontario authority to licence charitable and religious groups for lotteries in an effort to facilitate fundraising opportunities.

### **Municipal Responsibilities**

Municipalities have the authority to issue lottery licences within their community for events such as:

- Raffles and 50/50 draws with prizes up to \$50,000;
- Bingo events with prize boards up to \$5,500;
- Bazaar gaming events;
- Break Open Ticket lotteries and more.

Through the AGCO's delegated authority, the City of Welland is responsible for:

- Approving applications when eligibility criteria is met;
- Reporting information required by the AGCO;
- Enforcing the policies and procedures that municipal and provincial officials must follow to issue and administer charitable gaming licences in Ontario;
- Ensuring licensees comply with eligibility requirements and terms and conditions of licences;
- Investigating breaches of licence terms and conditions;
- Auditing licensed organisations;
- Refusing, suspending or canceling licences for non-compliance.

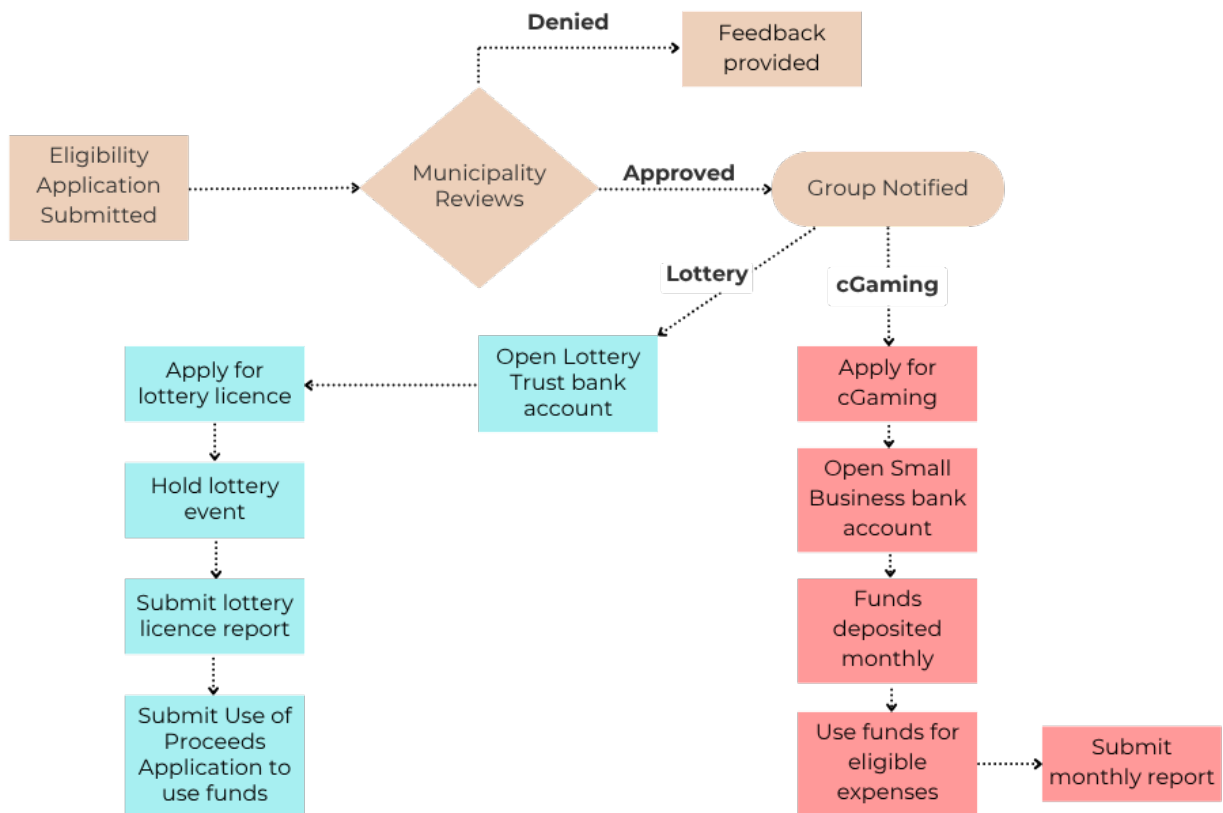
### **Guiding Principles**

To ensure that lottery licensing is administered fairly and consistently, decisions must be guided by the following fundamental principles:

1. Consider the needs of the community. All eligible organizations must have fair access to gaming opportunities.

2. Consider both the viability of a proposed lottery scheme and the applicant's ability to execute the scheme.
3. Lottery proceeds must only be used for the direct delivery of eligible charitable programs and services, as stated on the licence application and approved by the licensing authority.

## Lottery and cGaming Process Flowchart



### Eligibility

An organization must exist for at least one year before applying for lottery licensing eligibility. To be eligible for lottery licensing, the applicant must qualify as a charitable, religious, or non-profit organization within one of the following classifications:

- relief of poverty
- advancement of education
- advancement of religion
- charitable purposes beneficial to the community, not falling under any of the three points above:
  - culture and the arts
  - health and welfare
  - amateur sports organizations
  - the enhancement of youth
  - public safety programs

The organization must also:

- have a place of business in Ontario;
- demonstrate that it is established to provide charitable services in Ontario;
- submit a use of proceeds proposal for charitable objectives or purposes that benefit Ontario and its residents;
- assume full responsibility for the conduct and management of its lottery events.

With its initial application, groups must submit the following supporting documentation:

1. letters patent (purpose/intent)
2. constitution/by-laws (purpose/intent)
3. budget for the current year (focus of expenditures from operating account)
4. financial statements for the previous year (primary sources of income)
5. latest report to the Public Guardian and Trustee (if applicable)
6. charitable number for income tax purposes (if applicable)
7. copy of the "Notification of Registration" letter from the Canada Revenue Agency with any supporting documentation indicating the organization's status and terms of registration
8. copies of its charitable returns to the Canada Revenue Agency for the previous calendar year
9. detailed description of its activities and programming
10. copy of its annual report and/or Annual General Meeting minutes
11. a list with names, business addresses, and telephone numbers of all bona fide members and the current executive including names of signing authorities within the organization

12. program registrant names and birthdates (amateur sports groups only)

Once the eligibility application has been received in full, the municipality will make a decision within thirty (30) days and advise City Council and the charitable group of the outcome.

If eligibility is approved, the group can then apply for lottery licences and the cGaming program.

### **Annual Eligibility Requirements**

In addition to the initial application, groups are required to provide annual documentation to maintain their eligibility. These include, but are not limited to:

1. letters patent (if there has been a change since last submission)
2. constitution/by-laws (if there has been a change since last submission)
3. letter from Canada Revenue Agency recognizing the charitable status under the Income Tax Act (if there has been a change since last submission)
4. copies of its charitable returns to the Canada Revenue Agency for the previous calendar year
5. complete budget for the current year
6. financial statements for the previous year
7. detailed description of its activities (purpose/intent + scope of programming beneficiaries)
8. copy of its annual report and/or Annual General Meeting minutes
9. a list with names, business addresses, and telephone numbers of all bona fide members and the current executive including names of signing authorities within the organization
10. program registrant names and birthdates (amateur sports groups only)

## Conflict of Interest Guidelines

These rules help make sure charitable lottery events are fair and trustworthy. Even the appearance of a conflict of interest can reduce public confidence, so organizations must follow the Lottery Licensing Policy Manual (LLPM).

### **Key Rules**

#### **1. Stay Out of Licensing Decisions**

Anyone involved in the organization must not take part in approving or managing the lottery licence. This means they cannot:

- Approving the lottery licence, or
- Run or manage the lottery event

Example:

If a municipal councillor is part of the organization, they must:

- Not join discussions or voting about the licence
- Not sign the application
- Not be involved in decisions about the lottery

#### **2. No Playing or Winning**

People involved in running the lottery must not take part as players. They cannot:

- Buy tickets, cards, or bets
- Win prizes

This applies to everyone involved, including volunteers, event organizers, and prize donors.

#### **3. No Personal Benefit**

People managing or helping with the event must not benefit financially.

- They cannot receive any money from lottery proceeds.
- They must not gain from purchases made with lottery funds.

### **Common Examples of Conflicts of Interest**

- A coach paid using lottery funds cannot run the lottery.
- A business owner cannot use lottery money to buy items from their own store.
- Prizes cannot be bought from businesses owned by event organizers.
- A bingo hall operator cannot help run events for their own organization in that hall.
- Paid bingo staff cannot play or volunteer in their workplace.
- People selling tickets cannot buy tickets themselves.

- Store owners/employees cannot buy tickets from their own location.
- Board members and volunteers must not profit or play in the lottery.

### **Why This Matters**

Conflicts of interest can:

- Damage public trust
- Harm your organization's reputation
- Put future lottery licensing at risk

Even if not intentional, conflicts must always be avoided.

For full details, refer to the conflict of interest section in the Lottery Licensing Policy Manual (LLPM) for each type of lottery event.

## Lottery Licensing

### **Alcohol and Gaming Commission of Ontario (AGCO)**

The Alcohol and Gaming Commission of Ontario regulates lottery games for charities, religious groups and other qualified operators for the province of Ontario. This includes bingo, raffles and selling break open tickets. The AGCO has provided municipalities within Ontario authority to licence charitable and religious groups for lotteries in an effort to facilitate fundraising opportunities.

The AGCO is responsible for updating the [Lottery Licensing Policy Manual](#) (LLPM) which is the guide for all municipalities and charitable groups participating in the lottery program. Further, the AGCO provides all forms used by municipalities and charitable groups including lottery licences, application forms, and report forms.

Groups should familiarise themselves with the manual and various sections that apply to their eligibility as determined by the municipality.

### **Banking Requirements**

Once groups have received lottery licensing eligibility within the City of Welland, they are required to open a lottery trust bank account as required by the AGCO. No lottery licences shall be reviewed or issued until such time as the lottery trust bank account has been opened.

Per section 3.6.1 in the LLPM, “A licensed organization must open and maintain a separate lottery trust account, designated as a trust account by the branch of a recognized financial institution, in the Province of Ontario. The designated lottery trust account must be in Canadian funds. If the licensee (except for a Hall Charities Association in a non-pooling bingo hall) conducts more than one type of lottery event, it may hold either one designated lottery trust account for all lottery proceeds or a separate designated lottery trust account for each type of lottery.”<sup>1</sup>

The trust account(s) must:

1. be a chequing account;
2. require at least two (2) authorizing signatures;
3. be held in the name of the licensee, in trust;
4. have duplicate deposit slips, with one copy kept for the licensee’s records;
5. provide monthly statements; and

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<sup>1</sup> Lottery Licensing Policy Manual, [https://www.agco.ca/sites/default/files/2026-04/LLPM\\_EN\\_04-27-2026.pdf](https://www.agco.ca/sites/default/files/2026-04/LLPM_EN_04-27-2026.pdf)

6. include either the return of all cheques with the monthly statements or the return of electronically scanned images of the front and back of each cancelled cheque with the monthly statements.

The fact that it is a trust account must be stated on the face of the cheques. If a licensee's cheques do not currently state this, the licensee should ensure that the information is added when cheques are reordered.

### Charitable Gaming (cGaming)

The City of Welland not only holds delegated lottery licensing authority from the AGCO, but also participates in Charitable Gaming (cGaming) in partnership with OLG and OCGA. Local organizations volunteer at a charitable gaming centre and receive a share of proceeds based on their role and participation; this is also called bingo-pooling.

To take part, organizations must first complete an eligibility assessment with the municipality, which also monitors how funds are used in line with established policies and agreements with OLG and OCGA. To qualify, an organization must have charitable purposes and activities that fall within one of four categories: relief of poverty, advancement of education, advancement of religion, or other community-benefit purposes.

Organizations must also show that they have carried out charitable activities for at least one year, providing a direct benefit to Ontario residents in a way that aligns with their mandate.

Determining permit eligibility requires reviewing an organization's purposes and activities together, not in isolation. Municipal officials must assess how these fit within the four charitable classifications and decide eligible uses of cGaming proceeds accordingly, sometimes across multiple categories.

Decisions are made case by case, and unclear situations should be discussed by the municipality with OCGA and OLG. Organizations must also be reviewed regularly to ensure they remain eligible, and officials are responsible for staying current with evolving guidelines.

Along with the application form, groups are required to provide supporting documentation if they have not recently been approved for lottery licencing eligibility through the City of Welland. These required documents are the same as the lottery licencing eligibility application.

### **Banking Requirements**

Organizations licensed to conduct cGaming events are required to open and maintain a designated business bank account for the receipt and administration of cGaming proceeds. Funds derived from cGaming events must be kept separate from all other organizational funds, including general operating funds and proceeds from other licensed lottery events, and may only be used for approved uses of proceeds in accordance with municipal permit requirements.

The designated business account must:

1. be maintained in the name of the permittee;

2. be a chequing account in Canadian funds;
3. have a minimum of two (2) signing officers who are bona fide members of the permittee organization and are authorized to administer the account and make payments or withdrawals on behalf of the organization;
4. be capable of receiving Electronic Funds Transfer (EFT) payments;
5. provide payment and withdrawal privileges and monthly account statements;
6. provide monthly bank statements. Printed online banking statements are acceptable for reporting purposes provided they are official account statements. Transaction history printouts are not acceptable;
7. prohibit cash withdrawals from the designated business account;
8. provide returned cheques with monthly statements or make cheque images available electronically for printing; and
9. require two (2) signatures on all cheques.

No cGaming proceeds shall be deposited into any account other than the designated business account. The permittee is responsible for ensuring that all cGaming funds remain separate and are administered in accordance with municipal permit requirements and the terms and conditions of the licence.

## References

Alcohol and Gaming Commission of Ontario (AGCO). (n.d.).

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